

Information Services Board Briefing Paper on the Department of Personnel and Office of Financial Management Human Resource Management Project Activities

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Description

The Department of Personnel (DOP) will present the status of the Human Resource Management System (HRMS) project, review the results of the HRMS Request for Proposal (RFP), and present the Apparently Successful Vendor (ASV).

Recommendation

No recommendation. DOP and OFM will return at the next ISB meeting to present the project status and results of contract negotiations as well as the quality assurance, project management, and benchmarking activities updates.

Status

- Status of contracts/RFPs:
 - DOP released the HRMS RFP on April 16th and announced the ASV on June 30th. Contract negotiations began July 1st and are scheduled to be completed by July 18th. Two proposals were submitted: one from Accenture (formerly Andersen Consulting) teamed with SAP, Microsoft, HP, and Avanade; the second from IBM teamed with PeopleSoft, and the Dye Management Group.
 - DOP released an RFQQ for Project Management Consulting Services in support of the HRMS project. The selected consultant will function as a Senior Project Manager reporting to the DOP project manager, Tyrone Williams, and will assist internal staff in the selection, planning, and implementation of the new HRMS.
 - OFM released an RFP for Enterprise Baseline and Benchmarking Project and has named Sierra Systems teamed with Mercer as the ASV. DOP/OFM presented benchmarking to the Board as an alternative to a traditional Cost Benefit Analysis. The expected results of the benchmarking process would be cost and time baselines for the various HR and payroll processes. The baseline results would be used for subsequent comparison purposes to help quantify the benefits after system implementation.
 - Deloitte & Touche is being retained to provide periodic advisory services to DOP during the projected two-year (July 1, 2003 – July 1, 2005) HRMS implementation timeframe.
 - Sterling Associates is the Quality Assurance (QA) vendor for the duration of the HRMS project.
- Schedule: The project is on its original acquisition schedule.

Issues

- Funding: The budget for the 03-05 Biennium authorizes DOP to enter into a financing contract for up to \$32 million (plus financing expenses) for not more than 12 years to purchase, develop, and implement the new HRMS. The budget states that DOP and OFM

...shall jointly report to the legislature by January 15, 2004, on progress toward implementing the [HRMS]. The report shall include a description of mitigation strategies employed to address the risks related to: Business requirements not fully defined at the project outset; short time frame for system implementation; and delays experienced by other states. The report shall assess the probability of meeting the system implementation schedule and recommend contingency strategies as needed. The report shall establish the timelines, the critical path, and the dependencies for realizing each of the benefits articulated in the system feasibility study....

Background

The Personnel System Reform Act of 2002 (SHB1268) necessitates extensive changes to Washington State's Civil Service System. SHB1268 establishes a January 1, 2005 deadline to begin implementation of a new classification system (civil service reform), and a July 1, 2005 deadline for implementation of the first collective bargaining agreements. By these dates, DOP's HRMS must be able to support the functionality required by the act. DOP is responsible for civil service reform and OFM is responsible for collective bargaining.

DOP's systems support over 65,000 state employees and over 2,000 authorized system users. The systems are over 25 years old, technically complex, costly to modify, and lack the functionality and flexibility to support modern HR practices and many of the anticipated requirements for CSR/CB. The existing systems also support over 200 interfaces to other state and external systems.

DOP/OFM presented the findings of their feasibility study and received approval from the Board at the January 2003 meeting to proceed with the acquisition of integration services, software, and hardware to begin replacing the existing HRIS system.